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**DISABILITY: SOCIO-ECONOMIC ASPECTS  
AND PROPOSALS FOR REFORM**

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**Revised 24 January 1997**



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Available in Canada through  
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or by mail from  
Canada Communication Group -- Publishing  
Ottawa, Canada K1A 0S9

Catalogue No. YM32-1/95-4-1997-01E  
ISBN 0-660-17044-2

N.B. Any substantive changes in this publication which have been made since the preceding issue are indicated in **bold print**.

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DISABILITY: SOCIO-ECONOMIC ASPECTS  
AND PROPOSALS FOR REFORM\*

ISSUE DEFINITION

In recent years, Canadians with disabilities have been seeking fuller economic and social participation in society. Technological advances and improved rehabilitation techniques are rendering obsolete programs based on a "charity model," whereby those with disabilities were segregated as a group and received special treatment, as long as they did not participate in the mainstream. People with disabilities would be able to participate even more fully in society and the economy if barriers to training and employment were removed and they were instead given adequate access to disability-related supports and services. This goal, however, has been blocked by programs put in place at a time when these people were seen as socially dependent and unemployable.

This paper sets out and analyses some of the barriers that prevent people with disabilities from achieving full integration, explores the jurisdictional responsibilities of both the federal government and the provinces, outlines the current programs and proposals to reform them, and highlights some new challenges emerging as a result of policy and program review.

BACKGROUND AND ANALYSIS

Demographic, legal, policy and attitudinal changes have led to a higher profile for people with disabilities. The United Nations declared the years from 1983 to 1992 to be

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\* The original version of this Current Issue Review was published in January 1996; the paper has been regularly updated since that time.



the Decade of Disabled Persons and governments in Canada responded by undertaking reviews of disability-related policies and programs and effecting some reforms. Public awareness of disability issues has also increased as a result of changes in orientation by organizations providing services to, or advocating on behalf of, people with disabilities. Originally, such organizations were charities run by non-disabled persons who treated "the disabled", as patients or clients. Since the late 1970s, however, most disability-related organizations have adopted the philosophy of "independent living," based on the view that persons with disabilities can best define their own needs and direct the fiscal and human resources to meet them.

Canadian federal and provincial governments also adopted and supported the principle of independent living in their joint review of services affecting people with disabilities, *Mainstream '92*. It set out a vision, principles and strategic directions for governments leading to the full participation in community life of persons with disabilities and their greater control over decisions that affect their lives.

The debate over the place of people with disabilities has been conducted in light of social and economic statistics resulting from the post-censal surveys carried out in 1986 and 1991. These Health and Activity Limitation Surveys (HALS) showed that the absolute number of Canadians who identified themselves as disabled grew from 3.3 million to 4.2 million during the five years between the surveys; that is, the percentage of the Canadian population with disabilities increased from 13.2% in 1986 to 15.5% in 1991. HALS statistics show that people with disabilities are significantly poorer than non-disabled people; of adults with disabilities, 43% (981,080) had an individual income of less than \$10,000 per year and 26% (592,160) had one of less than \$5,000.

#### A. The Policy Debate

Recent policy studies have concluded that most social and economic programs do not meet the needs of persons with disabilities. In most cases, such programs either were based on premises that marginalized people with disabilities or were programs devised for other purposes to which disability-related activities had been added. The policy debate has

centred on three issues: the definition of disability, the nature of "employability," and the need to separate eligibility for income support from the provision of disability-related supports and services.

## 1. The Definition of Disability

It is extremely important that the definition of disability be differentiated from the establishment of eligibility for programs. In the 1980s, the World Health Organization (WHO) developed a multi-level definition of disability whereby "impairment" is a permanent or transitory psychological or anatomical loss or abnormality, "disability" is the loss or reduction of functional ability and activity caused by an impairment, and "handicap" is a disadvantage, either social or environmental, that arises from impairment or disability. Accordingly, an impairment that can be corrected by an assistive device like a hearing aid does not necessarily lead to a "disability" or a resulting "handicap." Also important is the fact that having a disability does not make a person eligible for all programs for those with disabilities. Each program has specific eligibility criteria; however, these eligibility criteria, such as "no longer being able to work" or "having expenses associated with disability," do not define disability but reflect decisions made politically and administratively about who should be entitled to social or economic assistance.

In Canada, provincial and federal governments and various workers' compensation and private pension and insurance plans have not agreed on a definition of disability that moves beyond eligibility criteria based on the intention of the program, on individual medical situations, or on when, how and where the disability was incurred. Needless to say, this lack leads to inconsistencies.

## 2. Employability

Recent studies (e.g., *People with Disabilities: A Supplementary Paper*, and *The Grand Design: Achieving the Open House Vision*) point out that in order to receive public and private pensions and entitlements, people with disabilities must often classify themselves as "permanently unemployable" and unable to support themselves. As a result, such people encounter barriers if they wish to return to the workforce, particularly for part-time or



short-term employment. It is the "unemployable" classification that gives people with disabilities access to programs that provide the supports and services they require to perform the activities of daily life. If these people demonstrate that they can hold a job, they lose these supports and services. Those with disabilities who enter the labour force (generally in low-paying positions) may well not be able to afford to purchase these commodities in the marketplace.

### 3. Separating Eligibility for Disability-Related Supports and Services from Income Benefits

Disability-related supports and services are responsible for the additional costs that people with disabilities must pay in order to participate in society and in the economy. Non-disabled people do not have these costs. For a person with a disability, these requirements for supports and services may vary over time and certainly vary in price. Some may involve only the provision of an office near an elevator but others, such as adapted computer equipment, may be expensive. Various programs are in place to compensate people with disabilities for these additional costs but those who are employed must often cover most of the expense themselves and be compensated to some extent through the tax system. Recent studies by the Roeher Institute have shown that the problems are particularly acute for those requiring assistance with personal care. Present systems do not respond well to individual need and supports are provided on a discretionary basis. Most provinces and territories do not provide supports to those ineligible for social assistance, thus giving an incentive for people to remain outside the labour force.

## B. Disability Programs

### 1. Historical Evolution

Until the years after the Second World War, most Canadians with disabilities, like those who were elderly or poor, relied for their basic needs either on their families or on private charities that would support them if they were unable to support themselves. Canadian governments' initial disability benefits were likewise conditional on an individual's inability to work and on a means test, as were disability and death benefits for federal employees (1918),



war veterans' disability pensions (1919) and blind persons' allowances (1937). Traditionally, the concept of unemployability was used to justify more generous treatment of people with disabilities than of those who received other federally-funded pensions and benefits. Tying disability benefits to unemployability persisted in the years after 1945 when the majority of Canada's social programs were put in place (including allowances in 1954 for those who were "totally and permanently" disabled, but did not receive blind persons' allowances or workers' compensation). People with disabilities who were not deemed unemployable were ineligible for these benefits and had to receive the less generous amounts provided through provincial/municipal social assistance.

There were other common features of post-war disability-related initiatives. Although the federal government initiated a national vocational rehabilitation program and entitlements for such people, costs were shared with the provinces. From 1948, when the federal Health Grants, which began to fund rehabilitation, were put in place, the federal government would only provide funding once the provinces had agreed to pay their share (usually 50%). This applied also to the disability allowances of 1954, disability-related costs covered in the *Hospital Insurance and Diagnostic Services Act* (1957), and the *Vocational Rehabilitation of Disabled Persons Act* (1961).

More recent social programs have maintained the distinction between people with disabilities and other recipients of income and social assistance, depending on whether or not they are employable. The Canada Pension Plan (1966) has provided disability benefits for contributors injured and unable to work. The Canada Assistance Plan (CAP), introduced in the same year, consolidated four programs (including two disability allowances) to help the provinces develop integrated comprehensive social assistance programs for those in need, regardless of the cause. CAP immediately became the most important government instrument in providing income benefits and supports and services to people with disabilities. Although the provincial governments are responsible for the assistance and programs delivered through the CAP, the federal government agreed to share the costs.

The employable/unemployable distinction also formed the basis for much complementary provincial legislation providing for workers' compensation and other disability-related income programs and provisions for supports and services. Traditionally,

people with disabilities have received higher income benefits from provincial social assistance programs in recognition of their inability to work. They also are eligible for a series of in-kind benefits, both for general use and disability-related.

At the same time, programs to encourage skills development and employability, such as the developmental uses of unemployment insurance introduced in the late 1980s, restrict eligibility for these supports and services to those who have worked long enough to establish eligibility based on employment, thus shutting out people with disabilities who have never been in the labour force.

The federal government has also recognized in the tax system the additional cost of disability for those who earn income. (This relief is based on the principle of horizontal equity, or "levelling the playing field.") Since 1930, sales taxes and tariffs have taken into account costs for people with visual and mobility impairments. In 1944, blind persons were allowed disability-related deductions based on their additional costs. Eligibility has since been widened to include people with other disabilities (or their spouses or parents) and dollar limits and income thresholds have become more liberal. In 1988, a major change to the tax system turned the tax deduction into a Disability Tax Credit.

## 2. Current Programs

Today, all levels of government, the private sector and voluntary agencies have programs in place to employ and to provide income to people with disabilities and to supply them with disability-related supports and services. These include general programs (e.g., social assistance) available to all groups, including people with disabilities. Targeted programs (i.e., health, assistive devices, vocational rehabilitation, Canada/Quebec Pension Plan (disability), tax credits and deductions, private disability insurance) do not take into consideration the circumstances of disablement. Categorical programs, such as workers' compensation and automobile accident insurance, provide benefits based on the cause of disability.

Many of the major disability programs fall within provincial jurisdiction and are delivered, if not funded, by the provincial governments. Such programs include social assistance and the provision of disability-related supports and services, workers'



compensation, vocational rehabilitation, and automobile and long-term disability insurance. Most provinces do not have a comprehensive policy framework for dealing with disability-related programs or issues and tend to rely on a premier's council or other disability-focused advisory bodies to provide an overview. Quebec, however, has dealt with disability issues more comprehensively in the policy framework *À part...égale* [On Equal Terms], which addresses disability issues for individuals. In that province, services (health, rehabilitation, technical aids and social services) are provided on the basis of need as determined by the provincial health and social services departments, according to an individualized plan, while other provincial agencies are responsible for such items as house and automobile adaptations.

The federal government's most important role has been providing about \$2.5 billion per year for disability-related activities undertaken by the provinces in order to share the cost of the provincial/territorial social assistance system and vocational rehabilitation through CAP and Vocational Rehabilitation of Disabled Persons (VRDP). The federal government also administers the Canada Student Loans Program which will provide \$15 million in 1996-1997 to assist students with disabilities to cover the disability-related costs of attending a post-secondary institution. The Canada Pension Plan, also administered by the federal government, spends about \$3.3 billion per year in providing pension benefits to approximately 325,000 contributors (and their dependent children) who cannot work because of disability. Approximately \$272 million (combined with provincial assistance of about \$135 million) goes from the federal government in tax assistance to people with severe disabilities; such assistance includes the Disability Tax Credit and additional tax relief to employers who make their premises accessible and who employ a person with a disability.

The jurisdictional problems of uploading and downloading in the area of disability were seen very graphically when Canada Pension Plan disability benefits were raised by \$150 per month from January 1987 and eligibility rules were eased. When some social assistance recipients with disabilities found that their provincial payments were reduced as a result of their increased income, the federal government partly rectified this situation by declaring the pension non-taxable. In addition, the provinces have been encouraging recipients of provincial social assistance to apply for Canada Pension Plan disability benefits. As a result of an agreement between CPP and the province of Ontario, there were approximately 20,000

applications for transfer from provincial social assistance to CPP disability; 8,000 of these were accepted.

The federal government attempted to put together a more comprehensive approach to disability issues when, in September 1991, it launched the National Strategy for the Integration of Persons with Disabilities. Ten federal departments were to share \$158 million over five years to fund five target areas: employment and training opportunities; community integration; partnership development; information exchange; and coordination and access to transportation, housing and communications. With the government reorganization in 1993, the bulk of the funding reverted to the Department of Human Resources Development, which is ultimately responsible for approximately two-thirds (\$100 million). Because the Canada Pension Plan and the Canada Assistance Plan, key areas of spending on disability within federal jurisdiction, as well as the Department of Finance, a critical policy-making department, were not part of the National Strategy, its impact on federal activities was limited. **The National Strategy ended on 31 March 1996.**

### 3. Recent Situation and Developments

#### a. Taxation

As pointed out above, the tax system has been used to "level the playing field" for people with disabilities who have earned income (not necessarily from employment) by allowing them to claim tax recognition of a proportion of their disability-related costs. In 1988, the medical expenses and disability deductions became non-refundable tax credits. The Medical Expenses Tax Credit (METC) was calculated as 17% of any eligible medical expenses over 3% of net income or \$1,614, whichever was less. The intent is to reimburse for exceptional medical expenses such as those for disability-related items like wheelchairs, seeing-eye dogs, hearing aids, and modifications to a home, and for full-time attendant care. Although approximately 1,130,000 Canadians claimed the credit in 1993, not all of these were persons with disabilities.

The Disability Tax Credit (DTC) supplements the METC for individuals with a severe and prolonged mental or physical impairment that markedly restricts their ability to perform the basic activities of daily living, as certified by a qualified medical practitioner. In



1993, approximately 530,000 individuals claimed the credit, which can also be transferred to a spouse or to a parent of a child with a disability. The credit was increased in the 1991 Budget so that it currently reduces federal tax by about \$720. When the credit is combined with provincial taxes, the total benefit is approximately \$1,120. (This amount varies from province to province according to the provincial tax rate.) In terms of employment, certain employer-provided allowances for taxi fares, parking and attendant care are non-taxable for individuals eligible for the disability tax credit and are allowed as deductions for employers. Accessibility measures taken by businesses are deductible in the year they are incurred rather than treated as capital expenditures. People entitled to the DTC are also eligible for \$5,000 in part-time attendant care expenses.

In addition, the tax system provides for an infirm dependant tax credit (at a total cost of \$40 million in 1993), a \$5,000 limit for child care expenses for children with disabilities (\$2,000 higher than for other children), and a non-refundable credit for a dependent child with a disability who is over 18 years of age. Since 1992, disability benefits from the Canada or Quebec Pension Plans can be claimed as earned income for the purpose of calculating contributions to a registered retirement savings plan. Certain medical devices are GST zero-rated for persons with disabilities, as are institutional health services and personal care services provided by charities and public sector organizations.

Statistics demonstrate that the tax measures for disability are not comprehensive. Approximately 1.4 million Canadians with disabilities reported out-of-pocket expenses for items necessitated by their disabilities (prescription drugs, etc.) and 837,000 had out-of-pocket expenses for everyday activities (such as meal preparation). The disability tax credit does not provide compensation for those with anything less than "severe" disabilities, nor does it take into account restrictions on activities such as grocery shopping that are not considered "basic" activities of daily living. In addition, the Department of Finance estimates that 45% of the expenses of those with severe disabilities are not eligible for itemization as medical expenses because of the difficulty of separating the disability-related and the consumption-related elements in an item's use.

## b. Employment

Like other Canadians, people with disabilities cannot achieve full economic and social independence and participation without access to employment. At the same time, many recent developments in providing employment and training have not opened doors for people with disabilities, despite significant increases in federal and provincial/territorial spending on labour market adjustment programs.

This situation arose largely because federal expenditures on such programming came from two separate sources: the Consolidated Revenue Fund (CRF) or general revenues of the federal government and the Unemployment Insurance (UI) Fund. Because the law limited the recipients of UI money to UI claimants, people with a weak attachment to the labour force, including those with disabilities, were ineligible for UI training and received training funded by the CRF, which also funded sectoral initiatives and partnership arrangements. **The recent enactment of Employment Insurance has not altered this basic structure.**

This system has made it increasingly difficult for people with disabilities to gain access to training. In 1990, only 50% of working age people with a disability reported receiving income from employment, compared to 73% of the general population. In addition, 44% of persons with disabilities aged 15-64 are not in the labour force. Many people with disabilities are therefore not eligible for training tied to an ongoing record of employment because they are ineligible for employment insurance. Apart from this, because of declining CRF allocations for training and employment for persons with disabilities, eligibility for employment insurance has become more important than need in gaining access to assistance. Although people with disabilities represented 6.5% of the working age population in 1993-94, of the 587,178 participants in federal employment and training programs only 2.0% (or 11,874) were persons with disabilities (a decline from 2.1% in 1989-90).

One of the major events affecting persons with disabilities in employment was the amalgamation, in June 1993, of sections of Health and Welfare Canada, Employment and Immigration, Labour Canada and Secretary of State into the Department of Human Resources Development (HRDC). According to a recent evaluation of HRDC programs, amalgamation into one huge department has resulted in a loss of visibility and a low priority for disability-



related initiatives. Because of decentralization, HRDC's headquarters let individual regions implement various employment-related initiatives for people with disabilities. Competing priorities and regional employment centres' focus on clientele from unemployment insurance have often led people with disabilities to be underserved. Budget cutbacks have also tended to promote "self-service" for those using Canada Employment Centres; as a result, those who require greater personal service (e.g., people with disabilities) have been disproportionately affected.

The *Employment Equity Act*, an approach to encouraging employment based on a human rights model, has also worked less well for people with disabilities than for other groups that are under-represented in the labour market.

#### 4. Income Security/Pensions

From 1966 to 1996, the Canada Assistance Plan allowed the federal government to share 50-50 with the provinces welfare and social services costs for Canadians in need or likely to be in need. Because of requirements for disability-related supports and services and difficulties in overcoming barriers to employment, over 320,000 heads of households with disabilities (about 20% of all social assistance recipients) have received assistance from the CAP. Provincial authorities granted financial aid according to provincial guidelines and the amount of assistance for approved items varied from province to province. For a province to receive CAP funding, it had to administer a needs test to determine eligibility for financial assistance, to refrain from imposing residency requirements, and to establish an appeals mechanism.

The CAP contained two funding streams. The first comprised the assistance (income) provisions which shared the cost for basic requirements (e.g., food, shelter, clothing); special needs (e.g., essential alterations to property and disability-related equipment); and prescribed services (e.g., rehabilitation, counselling purchased at the request of a provincially approved agency). The second CAP funding stream was the welfare services provision that allowed cost-sharing (including operational costs) of services that lessened, removed or prevented the causes and effects of poverty, child neglect or dependence on public

assistance. No definitive financial breakdown is available outlining the actual amounts spent on income, services or income-in-kind provided by the two funding streams.

Because of the rising cost of its share of the CAP, the federal government was under pressure to reform funding for social assistance. In 1990, it unilaterally set a limit on the amount provided to Ontario, Alberta and British Columbia under the CAP. In February 1995, the federal Budget announced that the transfers to the provinces provided by Established Programs Financing (health and post-secondary education) and the CAP would be combined and their overall amount reduced, from \$29.7 billion for 1995-6 to \$25.1 billion in 1997-8. The new Canada Health and Social Transfer (CHST) was put in place by Bill C-76, passed by Parliament in 1995 and is due to come into effect on 1 April 1996. Because of their reliance on the CAP, particularly its funding for disability-related supports and services, people with disabilities have seen access to these decline after that date.

Another important federal measure for people with disabilities is the Canada Pension Plan, which provides benefits to contributors who cannot work because of a severe and prolonged disability (325,000) and to their dependent children (100,000 in 1994). CPP disability expenditures have grown from over \$500 million in 1985 to over \$3.3 billion in 1996 (17% of CPP expenditures) plus \$329 million for disabled contributors' child benefits. There has been increasing concern about the growth in numbers of CPP disability beneficiaries and the implications of this for the future of the plan. There are several reasons for the increase: the difficulties that people with disabilities have in finding and keeping employment; the recognition of more types of disability; referrals to CPP by other agencies (i.e., provincial social assistance administrations and private insurers); and easing of the eligibility criteria, notably by the passage of Bill C-57 in 1992, that enables applicants to apply many years after the onset of disablement, and the rise of \$150 per month in disability pensions in June 1986.

In an effort to contain expenditures, several reforms have been implemented by Income Security Programs, by which the Canada Pension Plan is administered. New guidelines, adopted in August 1995, stress the medical basis of disability determination and rule out socio-economic factors in adjudicating applications. Other reforms have encouraged return-to-work efforts and removed disincentives to work. For example, a CPP recipient with a chronic disability (such as multiple sclerosis) who returns to work can be "fast-tracked" if



his or her medical condition deteriorates and the individual requires reinstatement. Full-time school attendance will no longer result in automatic cessation of benefits and a trial work period of three months is permitted. In addition, the CPP appeals procedure has been more formalized and a program of reassessments has produced monthly savings of several million dollars. A series of pilots has tested ways to reduce duplication and increase opportunities for early rehabilitation and return-to-work. As a result of these changes, from September 1994 to December 1995, there has been a significant stabilization of the costs related to the disability program. By March 1996, CPP administrators predicted that the plan's disability caseload would begin to decline and expenditures would decrease.

### C. Proposals for Reform

Because of the increasing visibility of programs for people with disabilities, the need to deal with increasing costs of all social programs, and lobbying by people with disabilities for removal of barriers to economic and social participation, reform proposals have proliferated during the last few years.

Perhaps the most significant of the reform exercises was the review of federal-provincial-territorial review of services for people with disabilities known as Mainstream '92. In its report *Pathway to Integration* (May 1993), both levels of government and the disability community agreed on a framework for disability-related policies and programs that falls within the current constitutional/legislative context. They stressed the importance of disability-related supports; the accessibility of mainstream services; the need for coordinated efforts to remove barriers to employment; support for independent living; long-term arrangements to allow people with disabilities to purchase and manage the supports they require; the need for preventative measures; and ensuring income support adequate for disability-related needs.

Although the implementation of the various elements of the framework has not been systematically monitored, several initiatives have incorporated the ideas expressed in Mainstream '92. As part of the National Strategy for the Integration of Persons with Disabilities, the federal government is contributing more than \$14 million to support provincial demonstration projects whereby people with intellectual handicaps move out of institutions and into the community. Another example is the Independent Living Centres Pilot

Project which supports centres across the country that provide people with disabilities with information, referral services, and peer support and assist with individual advocacy and service development.

The announcement of a review of social programs in January 1994 began a process conducted by the Minister of Human Resources Development. As part of this, the federal Budget in February 1994 announced \$800 million for strategic initiatives that would test innovative approaches to meeting social security needs and would be developed in partnership with the provinces and the territories. One of these initiatives, "Choice and Opportunity," developed with the Prince Edward Island government, is reviewing the supports and services available to people with intellectual disabilities with a view to creating an integrated system.

In October 1994, the government released the results of the review in the discussion paper *Improving Social Security* and shortly thereafter published a supplementary paper on persons with disabilities. These two documents emphasized the need to accommodate people with disabilities in the learning and training environment and to discuss with the provinces how best to achieve this. The reports advocated incorporating people with disabilities into mainstream programs through, for example, policies to extend flexible training and work arrangements, the provision of basic skills, and appropriate and timely access to the disability-related supports and services. *Improving Social Security* also proposed updating the *Vocational Rehabilitation of Disabled Persons Act*.

The social security reform exercise provoked a plethora of other reform proposals, particularly for separating eligibility for income assistance from provision of disability-related supports and services. During the 1995 provincial election campaign in Ontario, the Conservative party promised that it would act in this regard. As well, the Roeher Institute proposed a national program (provincially administered) that would offset the costs of disability, assure access to disability-related supports, and allow people with disabilities to have the same access to regular social assistance income benefits as other Canadians.

In December 1995, a ministerial council on social security reform recommended to provincial/territorial first ministers that they consider the consolidation of income support programs for people with severe disabilities. This single national program



would be jointly managed but delivered by the federal government. This proposal was reminiscent of suggestions recently explored by some provinces for implementing a guaranteed annual income (GAI) as a means of removing individuals from the welfare rolls. On the positive side, a GAI would provide more adequate income support, and could improve financial incentives to work if additional earnings were taxed at a lower rate. At the same time, however, a GAI might reinforce the tendency to categorize people with disabilities as "unemployable" and divert resources from programs promoting integration with the economic mainstream. In addition, the income provided by a GAI would likely be too little to meet the needs of those with high disability-related expenses and would not adequately cover the costs of required disability-related supports and services. A concurrent tax reform measure would be required to cover these costs if a federal or provincial GAI were introduced.

The Federal/Provincial Information Paper on the CPP (February 1996) outlines for discussion some other options for changes to the disability income program provided by the Canada Pension Plan. Among these options were: subtracting Workers' Compensation Benefits from CPP disability benefits for those who receive both; increasing the years of required contributions to establish eligibility for CPP disability; and basing eligibility for CPP retirement benefits on wages at the time of disablement.

In light of the implementation of the Canada Health and Social Transfer, various organizations of persons with disabilities have argued for a statement of "ideal values" to govern the new transfer and claim that taxpayers should know how the transferred federal dollars are spent. They believe this information could be used in the development and evaluation of social programs under the new transfer arrangements. They have therefore been lobbying for a "social audit" conducted by an independent mechanism to report on the distribution of the CHST in the health, education, income and social services systems.

When the government response to the *Grand Design* (see Parliamentary Action) was tabled on 8 May 1996, it was unanimously condemned by the disability community for not addressing the recommendations in the report of the Standing Committee. National organizations pointed out that interdepartmental coordination had become an increasing problem and that, as implemented, the CHST would leave people with disabilities unprotected. The employment and employability provisions of

employment insurance would affect people with disabilities adversely because so many of them would be ineligible for training. The various disability organizations also publicly raised the issue of the phasing out of their funding by the Department of Human Resources Development.

On 5 June 1996, appearing before the House of Commons Standing Committee on Human Rights and the Status of Persons with Disabilities, the Minister of Human Resources Development announced the formation of a Federal Task Force on Disability Issues to be chaired by Andy Scott, MP. This Task Force would report to four Ministers (Finance, Human Resources Development, Justice, and National Revenue). As well as investigating and making recommendations regarding the overall role of the federal government in the area of disability, the Task Force was to carry out the government's promise made in the 1996 Budget and review the impact of the tax system on people with disabilities.

After extensive public consultations across the country, the Task Force presented its report to the four Ministers on 26 October 1996. It made 52 recommendations for a federal role that would affirm the citizenship of Canadians with disabilities and advance their civil, political and social rights. The Task Force recommended discussions with the provinces on building disability into all mainstream policies and programs and identifying complementary action to enable people with disabilities to benefit fully from mainstream programs. The Task Force also recommended restoration of funding to national organizations of persons with disabilities. The Task Force went on to isolate short, medium and long-term changes that would achieve this end within the scope of federal jurisdiction.

Specifically, the Task Force recommended changes in four areas: legislation, labour market integration, income security, and cost of disability. In terms of legislation, it recommended amendments to the *Criminal Code*, *Canada Evidence Act* and *Canadian Human Rights Act* that would remove barriers for people with disabilities. In addition, the Task Force endorsed an ongoing review of legislation and a new *Canadians with Disabilities Act* that would ensure coordination and accountability at the



federal level. Other recommendations to ensure accountability included the appointment of a Secretary of State for disability issues, an annual report on federal activities in this area, and an assessment of the impact of proposed measures on people with disabilities.

To deal with the important issue of labour market integration, recommended were clear policy and implementation guidelines to ensure access to employment insurance training measures, including those transferred to the provinces, and access to employment assistance services by those not eligible for employment insurance. It was proposed that the Vocational Rehabilitation of Disabled Persons Program be refocused and renamed the Employability Program Access Fund to prepare people to participate in the labour market or in mainstream programming.

The thrust of the proposals for the disability income system involved long-term comprehensive changes that would separate disability income programs from the provision of disability-related supports and services. The Task Force recommended that pilot projects test this approach. With respect to the tax system, the Task Force adopted an approach that in the long term would encourage greater tax recognition of the actual costs of disability and in the short term would begin this process.

In its report on pre-budget consultations of 5 December 1996, the House of Commons Finance Committee endorsed the work of the Task Force and included people with disabilities as one of the priorities in any increased investment by the federal government in social issues.

In late 1996 and early 1997, the federal and provincial governments continued discussions of measures to reform joint federal and provincial programs for persons with disabilities. This follows the decision by the First Ministers in June 1996 to give the Federal/Provincial/Territorial Ministerial Council on Social Policy Renewal a mandate to review and make recommendations for reform of programs that support people with disabilities. At its meeting on 27 November 1996, the Council agreed to look at practical improvements to these programs, to establish a sub-committee that would look at the Vocational Rehabilitation of Disabled Persons (currently cost-matched by the

federal and provincial government), and to consider the recommendations of the Federal Task Force on Disability Issues.

In early 1997, the federal government announced that it would restore annual operating funding for national disability organizations at \$5 million per year and continue funding of \$4.6 million for special projects. In addition, the Minister of Human Resources Development announced that labour market initiatives for Canadians with disabilities would continue until suitable replacements were available, as would the Vocational Rehabilitation of Disabled Persons Program until negotiations were completed with the provinces.

In January 1997, Bill C-12 came into effect (Statutes of Canada, 1996, C23). This bill, introducing employment insurance and reforming the unemployment insurance system, will do little to increase the access to employment and training measures for most people with disabilities (given the distinction between CRF and UIDU funding discussed above). Under Bill C-12, as under the former system, a person with a disability is eligible to request employment benefits only to the degree that he or she has been an "insured participant" through attachment to the labour market. Clause 60 of the bill, however, provides for support measures whereby organizations can establish employment assistance services providing information on employment opportunities, help workers find suitable employment and employers find suitable workers, and put in place other support measures. These measures are not conditional on an attachment to the labour market and include programs rectifying disadvantages, including those for persons with disabilities.

## PARLIAMENTARY ACTION

Parliamentary committees have had an extremely important role in promoting the economic and social integration of persons with disabilities. In preparation for the International Year of Disabled Persons, Parliament in 1980 established a Special Committee on the Disabled and the Handicapped. In February 1981, this Committee tabled *Obstacles*, a



report to Parliament containing 130 recommendations, including those for a comprehensive disability insurance system and greater access to disability-related supports and services.

Since June 1987, the Standing Orders of the House of Commons have made provision for a Committee with a mandate to deal with the status of disabled persons. Since April 1989, this mandate has also included dealing with human rights issues.

Throughout the 34th Parliament, the Standing Committee on Human Rights and the Status of Disabled Persons focused on the economic and social integration of persons with disabilities. Its report *A Consensus for Action* led to the inauguration of the National Strategy for the Integration of Persons with Disabilities in 1991. *As True as Taxes* (10 March 1993) related the overall operation of the tax system to social policy issues and recommended reform of the medical expenses tax credit and the establishment of a new refundable disability tax credit. *Completing the Circle*, a report on aboriginal people (26 May 1993) recommended better coordination of federal programs and activities for aboriginal people with disabilities. In July 1993, *Profitable Choices for Everyone* resulted from a Parliamentary Forum where the Committee brought together over 70 experts from business labour and the disability community. This report made recommendations regarding the involvement of people with disabilities in economic advisory commissions, the development of a Canadian disability economic development strategy, and the need to facilitate the manufacture and marketing of consumer products for seniors and those with disabilities.

Following the federal election in 1993, the Standing Committee on Human Resources Development held hearings on the need to reform Canada's social programs. In its report *Security, Opportunity and Fairness*, the Standing Committee proposed initiatives to promote independent living and recommended that federal-provincial-territorial governments reconcile definitions and eligibility criteria for their programs for persons with disabilities.

In 1995, federal legislation (Bill C-76) consolidated transfer payments to the provinces/territories. Included in the new fiscal mechanism were the Canada Assistance Plan and Established Programs Financing. The new Canada Health and Social Transfer will be a block fund covering federal payments to the provinces in the areas of social assistance as well as health and post-secondary education.

Throughout the fall of 1995, the Standing Committee on Human Rights and the Status of Disabled Persons held hearings on the National Strategy for the Integration of Persons with Disabilities, which ended in 1996. In its report *The Grand Design: Achieving the "Open House" Vision*, the Committee recommended ongoing federal leadership in the area of disability to be demonstrated by the appointment of a secretary of state with specific responsibility for this area, a renewed national strategy with a clearer vision, and an effective coordination of government policies. The Committee also recommended minimum national standards for the CHST based on outcomes and an audit of social expenditures through the CHST. Specifically, the Committee recommended more effective employment measures, a review of all tax measures with an impact on persons with disabilities, and a comprehensive review to develop options regarding the disability income system and the provision of disability-related supports and services.

## CHRONOLOGY

- 1981 - International Year of Disabled Persons.
- 1981 - Disability included as a prohibited ground of discrimination in the *Canadian Charter of Rights and Freedoms* and in the *Canadian Human Rights Act*.
- February 1981 - Tabling of the *Obstacles* Report of the Special Committee on the Disabled and Handicapped.
- 1984 - Report of the Quebec Government, *On Equal Terms (À Part ... égale)*, recommends comprehensive policy framework.
- October 1984 - Report of the Commission on Equality in Employment (Abella Report) dealing with employment opportunities for women, native people, visible minorities and people with disabilities.
- June 1987 - The House of Commons established a Standing Committee on the Status of Disabled Persons.
- 31 May 1988 - Statistics Canada released first data on people with disabilities collected in the Health and Activity Limitation Survey.



- 5 April 1989 - The House of Commons established the Standing Committee on Human Rights and the Status of Disabled Persons.
- 18 June 1990 - The Standing Committee on the Status of Disabled Persons tabled *A Consensus for Action*.
- 6 September 1991 - The Prime Minister announced the establishment of a National Strategy for the Integration of Persons with Disabilities.
- 29-30 March 1992 - The Standing Committee on Human Rights and the Status of Disabled Persons held a parliamentary forum "Profitable Choices for Everyone."
- 22-25 April 1992 - A World Congress on Disability, Independence '92 took place in Vancouver.
- March 1993 - Release of *Pathway to Integration, Final Report, Mainstream '92*.
- 10 March 1993  
- 28 July 1993 - Standing Committee on Human Rights and the Status of Disabled Persons tabled *As True as Taxes; Completing the Circle; Profitable Choices for Everyone*.
- 5 October 1994 - The Minister of Human Resources Development released *Improving Social Security in Canada, A Discussion Paper*.
- 27 February 1995 - The Minister of Finance announced in the Budget that the Canada Assistance Plan would be included in the new Canada Health and Social Transfer.
- December 1995 - Standing Committee on Human Rights and the Status of Disabled Persons tabled *The Grand Design: Achieving the Open House Vision*.
- 31 March 1996 - End of the National Strategy on the Integration of Persons with Disabilities.
- 8 May 1996 - Government response to the *Grand Design* was tabled.
- 5 June 1996 - The Minister of Human Resources Development announced the formation of the Federal Task Force on Disability Issues.
- 21 June 1996 - The First Ministers mandated the Federal/Provincial/Territorial Ministerial Council on Social Policy Renewal to study programs for people with disabilities.

**26 October 1996 - The Federal Task Force on Disability Issues released its report.**

**January 1997 - Bill C-12, the Employment Insurance Act, came into effect.**

**January 1997 - The federal government extended VRDP and restored funding to national organizations of persons with disabilities.**

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